

The Examiner states "Applicant, however, in paragraphs 0008 to 0011 discloses that watermarks are a well known technique, and then goes on to describe uses of the technique to include an audio-based signal from a mobile phone."

In Applicants' specification, Applicants conceded, in paragraph [0008], the existence of watermarks and their use in marking or protecting input signals, e.g., a movie can be watermarked so that its origin can be identified, or unauthorized copies can be distinguished from the original. To this end, it is known to extract and identify the watermark.

Paragraphs [0009] and [0010] present a summarization of new uses of watermarks, these new uses being the subject matter of the subject invention. These uses, as covered by the subject invention, are more particularly described in paragraphs [0011] - [0014].

As indicated above, Stefik et al. describes a system for receiving a digital work, gathering data for and creating a watermark, and rendering the digital work inclusive of the watermark. Applicants submit that Stefik et al. neither discloses or suggests that the watermark included in the rendering of the digital work may be extracted and subsequently used for purposes other than the mere authentication of the digital work.

The method of the subject invention, as claimed in claim 1, includes "receiving the output signal", the output signal being

the rendered content (e.g., digital work) with the embedded information (e.g., watermark), "electronically extracting the embedded information from the received output signal" and "processing the extracted embedded information in the course of the business model". To this end, using the example of a mobile phone, the mobile phone, using the microphone portion thereof, may receive the output signal (e.g., a watermarked audio signal being reproduced by a loudspeaker), circuitry in the mobile phone may then extract the embedded information, and, depending on the business model, the user of the mobile phone may use the mobile phone to contact e-commerce servers using the extracted embedded information, "which makes it easy to integrate it in a value chain or to provide interactive services using the embedded extra information as a starting point" (Substitute Specification, pages 4-5, paragraph [0014]).

In view of the above, Applicants believe that the subject invention, as claimed, is not rendered obvious by the combination of Stefik et al. and Applicants' acknowledgement of the existence of watermarks, and as such is patentable thereover.

Applicants believe that this application, containing claims 1-10, is now in condition for allowance and such action is respectfully requested.

Respectfully submitted,

by 
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